

Press release

Press enquiries:
+41 76 350 8138

press@bis.org

Ref no: 68/2014

24 October 2014

Seventh Meeting of the Financial Stability Board Regional Consultative Group for Europe

Today, the Financial Stability Board hosted in Basel, Switzerland the seventh meeting of the FSB Regional Consultative Group for Europe under the chairmanship of Per Callesen, Governor, Danmarks Nationalbank.

Members discussed the implications of monetary-policy normalisation for financial stability, including credit- mispricing risks arising from persistently low interest rates, as well as exchange rate risks. The Basel Committee on Banking Supervision apprised the members of the latest regulatory developments with respect to liquidity requirements for banks, and members also shared their experience of early implementation of these requirements. Members were also updated on the FSB's work plan and the progress made in the four core areas of financial regulatory reforms: building resilient financial institutions, ending "too-big-to-fail", transforming shadow banking, and making derivatives markets safer. With regard to ending too-big-to-fail, members discussed the likely implications of and challenges in implementing the proposed *total loss absorbing capacity* (TLAC) requirement for the global systemically important banks (G-SIBs). The impact of evolving global financial regulations on the availability of long-term finance for investment to support economic growth was another issue for discussion, which included deliberations on various policy measures to enable reinvigoration of securitisation markets, which would facilitate provision of long-term funding.

The FSB Regional Consultative Group for Europe is co-chaired by Andreas Dombret, Member of the Executive Board, Deutsche Bundesbank and Per Callesen, Governor, Danmarks Nationalbank. Its Membership includes financial authorities from Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland, United Kingdom and the Group of International Finance Centre Supervisors. The European Commission and the European Central Bank also attended the meeting.

Notes to editors

The FSB Charter stipulates that the FSB "*should consult widely amongst its Members and with other stakeholders including private sector and non-member authorities. This process shall include engaging with the FSB Regional Consultative Groups and include an outreach to countries not included in the Regional Consultative Groups*".¹

¹ http://www.financialstabilityboard.org/publications/r_120809.pdf;

At the Toronto Summit in June 2010, the G20 Leaders endorsed such a process by calling on the FSB “to expand upon and formalize its outreach activities beyond the membership of the G-20 to reflect the global nature of our financial system”². Responding to the call, in 2011, six regional consultative groups³ of the FSB were established, to bring together financial authorities from FSB member and non-member countries to exchange views on vulnerabilities affecting financial systems and on initiatives to promote financial stability.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. Through the six regional groups, the FSB conducts outreach with another approximately 65 jurisdictions.

The FSB is chaired by Mark Carney, Governor of the Bank of England. Its Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, www.financialstabilityboard.org.

² https://www.g20.org/sites/default/files/g20_resources/library/Toronto_Declaration_eng.pdf (cf. paragraph 34)

³ The FSB regional consultative groups were established for the following regions: Americas, Asia, Commonwealth of Independent States, Europe, Middle East and North Africa, and Sub-Saharan Africa.